VII

THE COMPANIES ACTS

PAGE
Another Government Committee—The Fallacy of imitating Germany—Prussianising British Commerce—The Inquiry into the Companies Acts—Will Labour Influence dominate the Report?—Increased Production the Great Need—Will it be met by tightening up the Companies Acts?—The Dangers of too much Strictness—Some Reforms necessary—Publicity. Education, Higher Ideals the only Lasting Solution?—The Importance of Foreign Investments—Industry cannot take all Risks and no Profits..... 91

VIII

THE YEAR'S BALANCE-SHEET

The Figures of the National Budget—A Large "Increase in Revenue and a Larger in Expenditure—Comparison with Last Year and with the Estimates—The Proportion borne by Taxation still too Low—The Folly of our Policy of Incessant Borrowing—Its Injustice to the Fighting Men 106

IX

COMPARATIVE WAR FINANCE

The New Budget—Our own and Germany's Balance-sheets—The Enemy's Difficulties—Mr Bonar Law's Optimism—Special Advantages which Peace will bring to Germany—A Comparison with American Finance—How much have we raised from Revenue?—The Value of the Pound To-day—The 1918 Budget an Improvement on its Predecessors—But Direct Taxation still too Low—Deductions from the Chancellor's Estimates 118

X

INTERNATIONAL CURRENCY

An Inopportune Proposal—What is Currency?—The Primitive System of Barter—The Advantages possessed by the Precious Metals—Gold as a Standard of Value—Its Failure to remain Constant—Currency and Prices—The Complication of other Instruments of Credit—No Substitute for Gold in Sight—Its Acceptability not shaken by the War—A Fluctuating Standard not wholly Disadvantageous—An International Currency fatal to the Task of Reconstruction—Stability and Certainly the Great Needs 134

XI

BONUS SHARES

A Deluge of Bonus Shares—The Effect on the Market—A Problem in Financial Psychology—The Capitalisation of Reserves—The Stock Exchange View—The Issue of Bonus-carrying Shares—The Case of the A.B.C.—A Wiser Variation from